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NEWLUND MINES LIMITED

Eighteenth Annual Report



For the Year Ending September 30th, 1967

NEWLUND MINES LIMITED

Eighteenth Annual Report

For the fiscal year ended September 30th, 1967

Authorized Capital — 6,000,000 shares of \$1.00 Par Value

Issued Capital — 5,483,808 shares

Incorporated under the Laws of Ontario



OFFICERS

E. D. WRIGHT	- - - - -	President
ERIC CRADOCK	- - - - -	Vice-President
J. R. BOOTH	- - - - -	General Manager
P. C. FINLAY, Q.C.	- - - - -	Secretary-Treasurer
H. HUNTER	- - - - -	Assistant Secretary-Treasurer

DIRECTORS

J. R. BOOTH	- - - - -	Toronto
ERIC CRADOCK	- - - - -	Toronto
J. P. DOLAN	- - - - -	Toronto
P. C. FINLAY, Q.C.	- - - - -	Toronto
E. D. WRIGHT	- - - - -	Toronto

TRANSFER AGENT AND REGISTRAR

CANADA PERMANENT TRUST COMPANY

1901 Yonge Street
Toronto, Ontario

SOLICITORS

HOLDEN, MURDOCH, WALTON, FINLAY,
ROBINSON, PEPALL & HARVEY
2400 The Bank of Nova Scotia Building
Toronto, Ontario

AUDITORS

THORNE, GUNN, HELLIWELL & CHRISTENSON
Toronto, Ontario

HEAD OFFICE

2400 The Bank of Nova Scotia Building
Toronto, Ontario

NEWLUND MINES LIMITED

Directors' Report

To the Shareholders:

Your Directors submit herewith the Balance Sheet of your Company as at September 30th, 1967, duly certified by the Auditors of your Company, together with Statement of Exploration and Administrative Expenditures, Statement of Deficit and Statement of Source and Application of Funds for the year ended September 30th, 1967.

During 1967 no further work was done on the claims in Hyman Township. It is deemed advisable to commence a large scale drilling program on these claims which are adjacent to Agnew Lake Mines Limited — which is scheduled to begin production of uranium during the early part of 1969. We are endeavouring to interest a major mining company in participating in such a drilling program in Hyman Township but if we are unable to do so, we will strive to finance such a program from internal resources.

Our approximately 25% interest in Penn Nuclear Corporation of Pittsburgh is now of much greater significance than when the investment was first made. The research and development with ultra high purity metal powders is continuing and the company has now succeeded with several of its early objectives and is proceeding to date with excellent progress to attain the balance. Penn Nuclear Corporation is now earning profits and we anticipate that this investment by your Company is going to be one of the Company's most important assets.

The original gold property in Echo Township, Province of Ontario, is being maintained in good standing. Your Directors are cognisant of the present "gold fever" and if any increase in the price of gold is forthcoming, we shall immediately take all the necessary steps to activate this gold property.

At the present time your Company has a substantial share interest in Louvicourt Goldfield Corporation, and during the coming year we shall endeavour to activate this investment and thus enhance its value to your Company.

In view of the fact that uranium has again become a metal of great importance, your Directors have given serious consideration to its search, both in Canada and the United States. An investment was made during the year in Lance Creek Uranium Mines Limited. This company is actively exploring for uranium in the State of Wyoming.

It is the intention of your Company to become more aggressive in the search for minerals and we look forward to a most interesting and stimulating year ahead.

On behalf of the Board,

E. D. WRIGHT,
President.

Toronto, Ontario,
March 7, 1968.

N E W L U N D M
(Incorporated un

Balance Sheet—

(with comparative figures)

A S S E T S

	1967	1966
Current Assets		
Cash	\$ 2,498	
Marketable securities, at cost less allowance for decline in value of \$115,000 in 1967; \$50,000 in 1966 (quoted market value 1967, \$235,200; 1966, \$383,952)	235,000	\$ 383,622
Accounts receivable	492	931
	<u>237,990</u>	<u>384,553</u>
Interest in Other Companies		
Unlisted shares, at cost	36,409	60,957
Advance	3,519	
Other shares (including dormant subsidiary company), at nominal values	4	3
	<u>39,932</u>	<u>60,960</u>
Mining Properties and Claims		
Patented mining claims in Echo Township, Ontario, at nominal value	1	1
Interest in mining claims, at nominal value	1	1
Mining claims held under miner's licenses in Hyman Township, Ontario, at cost	8,000	8,000
Mining claims held under development licenses in 1409 Township, Quebec, at cost	750	750
	<u>8,752</u>	<u>8,752</u>
Other Assets		
Interest in buildings and equipment, Echo Township, Ontario, at nominal value	1	1
Interest in mining syndicate, at cost	2,500	2,000
Advance to another company for which the basis of participation therein is still to be arranged	12,555	
	<u>2,501</u>	<u>14,556</u>
Deferred Expenditures		
Exploration expenditures as per statement	7,452	2,807
	<u>\$ 296,627</u>	<u>\$ 471,628</u>

Approved on behalf of the Board,

E. D. WRIGHT, Director.

P. C. FINLAY, Director.

N E S L I M I T E D

(the laws of Ontario)

September 30, 1967

at September 30, 1966)

LIABILITIES

Current Liabilities

	1967	1966
Bank loan and overdraft (secured by marketable securities)	\$ 25,000	\$ 31,863
Accounts payable and accrued liabilities	3,367	4,047
Payable for securities purchased (secured)		31,068
	<hr/> 28,367	<hr/> 66,978

Shareholders' Equity

Capital stock

Authorized — 6,000,000 shares of \$1 each

Issued — 5,483,808 shares	5,483,808	5,483,808
Less discount on shares	2,110,900	2,110,900
	<hr/> 3,372,908	<hr/> 3,372,908
Deduct deficit	3,104,648	2,968,258
	<hr/> 268,260	<hr/> 404,650

\$ 296,627 \$ 471,628

AUDITORS' REPORT

To the Shareholders of
Newlund Mines Limited

We have examined the balance sheet of Newlund Mines Limited as at September 30, 1967 and the statements of exploration and administrative expenditures deferred, deficit and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at September 30, 1967 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,
October 31, 1967.

THORNE, GUNN, HELLIWELL & CHRISTENSON,
Chartered Accountants.

NEWLUND MINES LIMITED

Statement of Exploration and Administrative Expenditures

Year ended September 30, 1967
(with comparative figures at September 30, 1966)

	1967	1966
Exploration Expenditures		
Echo Township, Ontario	\$ 3,249	\$ 3,217
Daniel Township, Quebec	120	120
Hyman Township, Ontario	4,525	2,642
Elliot Lake, Ontario	1,250	
Gloucester County, New Brunswick		13,323
Sundry exploration	87	55
	9,231	19,357
Administrative and Corporate Expenses		
Management fee	1,800	9,800
Office services	2,400	2,400
Share transfer expenses	2,010	1,180
Legal and audit fees	3,711	3,620
Shareholders' information and annual meeting expenses	770	3,243
Miscellaneous expenses	115	153
Interest	2,919	4,926
Travel	250	999
	13,975	26,321
Deduct		
Interest and dividends received	1,456	3,457
	12,519	22,864
Expenditures (net) for the year	21,750	42,221
Balance deferred at beginning of year	2,807	36,192
	24,557	78,413
Deduct amounts written off to deficit		
Exploration expenditures		
Echo Township, Ontario	3,249	3,217
Lozeau Township, Quebec		36,147
Elliot Lake, Ontario	1,250	
Gloucester County, New Brunswick		13,323
Sundry exploration	87	55
	4,586	52,742
Administrative and corporate expenses	12,519	22,864
	17,105	75,606
Balance deferred at end of year	\$ 7,452	\$ 2,807

SUMMARY OF EXPENDITURES DEFERRED

Exploration Expenditures

Daniel Township, Quebec	\$ 285
Hyman Township, Ontario	7,167
	\$ 7,452

NEWLUND MINES LIMITED

Statement of Deficit

Year ended September 30, 1967

(with comparative figures at September 30, 1966)

	1967	1966
Balance at beginning of year	<u>\$2,968,258</u>	<u>\$3,048,998</u>
Add		
Amounts written off		
Exploration expenditures	4,586	52,742
Administration and corporate expenses	12,519	22,864
Cost of interest in mining claims	15,001	
	<u>17,105</u>	<u>90,607</u>
Allowance for decline in value of marketable securities	65,000	50,000
Loss on securities	54,285	
	<u>136,390</u>	<u>140,607</u>
Deduct profit on securities	3,104,648	3,189,605
	<u>3,104,648</u>	<u>221,347</u>
Balance at end of year	<u><u>\$3,104,648</u></u>	<u><u>\$2,968,258</u></u>

Statement of Source and Application of Funds

Year ended September 30, 1967

(with comparative figures at September 30, 1966)

	1967	1966
Source of Funds		
Sale of shares in other companies	\$ 17,997	\$ 59,285
Profit on sale of marketable securities		226,548
	<u>17,997</u>	<u>285,833</u>
Application of Funds		
Exploration and administrative expenditures (net)	21,750	42,221
Investment in other companies	19,465	76,420
Additional allowance for decline in value of marketable securities	65,000	50,000
Loss on sale of marketable securities	19,234	
Purchase of mining claims		23,750
Increase in interest in mining syndicate	500	1,000
Transfer from marketable securities to interest in other companies		7,908
	<u>125,949</u>	<u>201,299</u>
Increase (decrease) in working capital	(107,952)	84,534
Working capital at beginning of year	317,575	233,041
Working capital at end of year	<u><u>\$ 209,623</u></u>	<u><u>\$ 317,575</u></u>

